

Targeted Small Business Certification Process

Frequently Asked Questions

The first step involved with the Targeted Small Business (TSB) program is the certification process. All applicants interested in the program must complete the certification application, supply certain copies of the information requested, and submit those items to the Department along with a \$25 non-refundable application processing fee. The certification application and more specific information are available on the Department's web site or you may contact the program manager, Mary Montgomery, at (515) 281-5796, or by e-mail at mary.montgomery@dia.iowa.gov.

All applications and information submitted are reviewed to assure eligibility with the program and determine compliance under the Iowa Administrative Rules dealing with the certification of TSBs. It is imperative that your application and any additional documentation provide evidence of the ownership and control of your company or business. The effort you make in submitting a complete application, the documentation requested, and any other documentation that will help prove that your company meets the eligibility standards will decrease the processing time.

Q: What is a targeted small business (TSB)?

A: A TSB is a business which is at least 51 percent owned, operated, and actively managed by one or more targeted group persons, provided the business meets at a minimum the following requirements:

1. Is located in the State of Iowa;
2. Is operated for profit; and
3. Has an annual gross income of less than \$4.0 million, computed as an average of the three preceding fiscal years.

Q: Who is a targeted group person?

A: A targeted group person means a minority, a woman, or a person with a disability.

Q: What is annual gross income?

A: Annual gross income is the total sales, minus the cost of goods sold, plus any income from investments and from incidentals or outside operations or sources.

Q: What does certification mean?

A: Certification is the process which identifies small businesses as targeted and eligible for financial and technical assistance.

Q: What does conditional certification mean?

A: Conditional certification means a temporary certification identifying targeted group person-owned companies before the business is operational in order for the applicant to apply for financial and technical assistance.

Q: How long does the certification process take?

A: The processing time is usually completed within a two-week period, unless additional information is required. You will receive written notification once your certification status has been determined.

Q: Can I apply for Targeted Small Business Financial Assistance at the same time I apply for Certification?

A: Only certified TSBs are eligible to obtain TSB Financial Assistance. Once you receive written notification you have been certified as a TSB by the Department of Inspections and Appeals (DIA), you are then eligible to apply to the Department of Economic Development for financial and technical assistance.

Q: What qualifies as a disability?

A: For purposes of the TSB program, disability is with respect to an individual, a physical or mental impairment that substantially limits one or more of the major life activities of the individual, a record of physical or mental impairment that substantially limits one or more of the major life activities of the individual, or being regarded as an individual with a physical or mental impairment that substantially limits one or more of the major life activities of the individual.

A major life activity includes functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning or working.

Q: Who qualifies as a minority?

A: A minority is an individual who is Black/African American, Hispanic/Latino, Asian, Pacific Islander, American Indian, or Alaskan Native American.

Q: If a targeted group person (TGP) owns 51 percent of the business and a non-targeted group person owns 49 percent, does the business qualify for the program?

A:

- 1) Independent contributions of capital are made by the TGP owner(s).
- 2) Independent contributions of expertise are made by the TGP owner(s).
- 3) Independent risk of loss and share of profit by the TGP owner(s) are commensurate with their proportion of ownership.
- 4) A board of directors and stockholders shall each have a membership comprised of at least 51 percent TGP owner(s).
- 5) The TGP owner(s) shall direct or cause the direction of the business. The owner(s) shall make day-to-day decisions as well as major decisions on management

Additional eligibility standards may be found in the Iowa Administrative Code [481 IAC 25]. A copy of the rules may be found on this web site.